



***Fiscal 2002 AgExports Projected
to Reach \$57 Billion***

Imports Largely Unchanged at \$39 Billion

Fiscal 2001 AgExports Are Unchanged at \$53.5 Billion

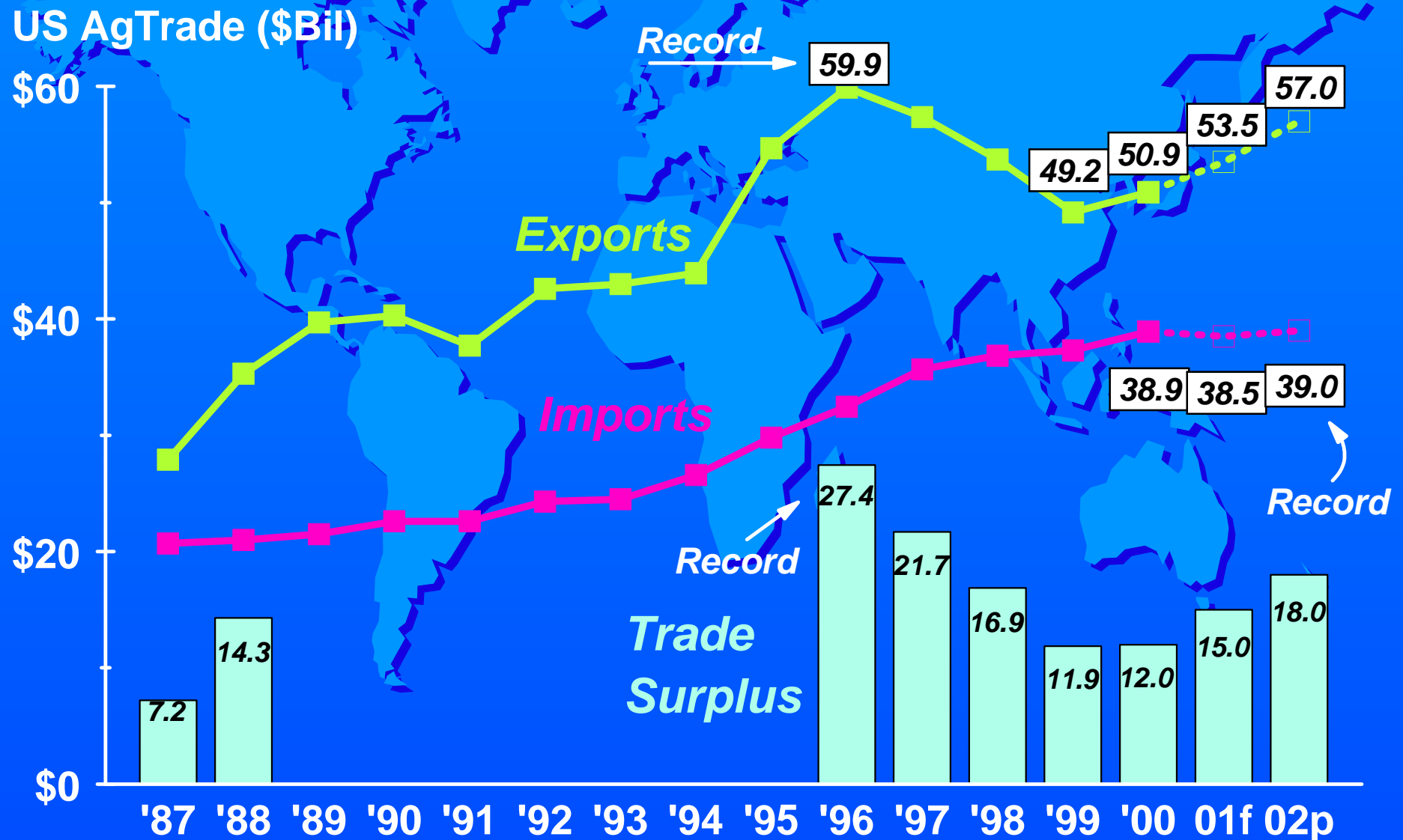
***Quarterly Export Forecasts for
Agricultural, Fishery & Forest Products***

***USDA's "Outlook for US Agricultural Trade"
was released on August 31, 2001***

CMP/FAS/USDA

U.S. Agricultural Trade

Fiscal 2002 AgExports projected to reach \$57 billion & the surplus is expected to total \$18 billion; highest figures since the Asian financial crisis & commodity prices began falling in 1997.



Summary of Major Changes in the Export Outlook

2001 (change since May 2001)

Wheat lowered 2.3 mmt on weak demand & increased competition.
Corn lowered 1.5 mmt due to increase competition from Brazil.
Soybeans & meal rise 1.0 mmt due to stronger foreign demand.
Hides, poultry meat, dairy exports each rise \$100 million.

2001 to 2002 (annual change)

Wheat & corn support most of the overall increase in agricultural trade as smaller US crops & reduced competition raise export values and volumes.
Record soybean export volume again expected; increased Brazil competition.
US veg oil prices and shipments rise as foreign veg oil expansion slows.
Larger US cotton crop and weak prices support increased cotton shipments.
Poultry meat at record 3.2 mmt (Russia/China/Mexico); beef sales to Japan up.
Horticultural exports up \$300 million to record \$11.6 billion supported by excellent
outlook for tree nut crops and good supplies/strong demand for fresh deciduous fruit

No 2002 country estimates available at this time

Note: During the next 6 months, substantial revisions in 2002 grains and oilseed forecasts are possible.

Export Outlook for Grain & Feed

Revised Forecast for 2001:  \$400 Million to \$13.8 Billion

Initial Projection for 2002:  \$2.2 Billion to \$16 Billion

Revised FY 2001 Forecast (since May)

Key Upside Developments

- None

Key Downside Developments

- Wheat exports lowered 2.3 mmt due to weak world demand & increased competition from FSU & EEurope
- Corn exports lowered 1.5 mmt due to increase competition from Brazil

Initial FY 2002 Projection

Key Upside Developments

- Smaller 2001/02 wheat & corn crops and expanded use raise prices
- Wheat & corn export volumes rise due to reduced competition from Canada/EU (wheat) and China (corn)

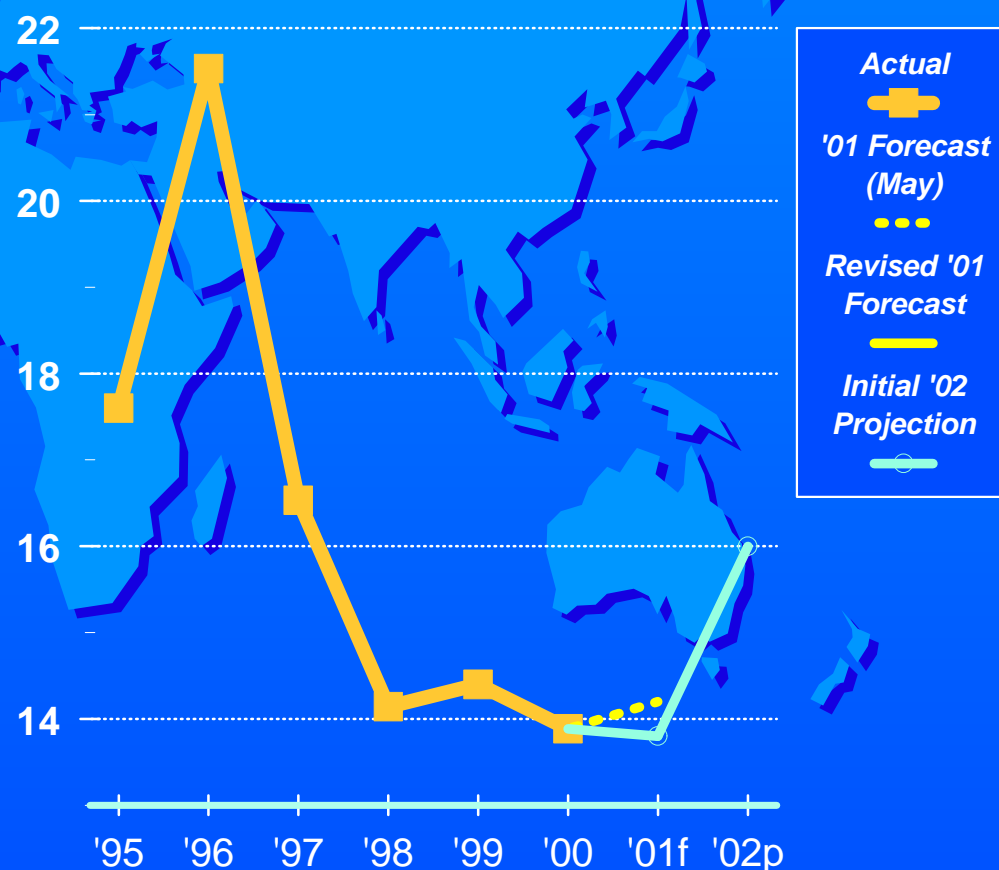
Key Downside Developments

- None

Wild Cards

- US crop size and China's corn exports
- Unusually large wheat supplies from EEurope, Kazakstan, Ukraine

U.S. Grain & Feed Exports (\$Bil)



Note: Includes corn gluten feed/meal

Export Outlook for Oilseeds & Products

Revised Forecast for 2001:  \$100 Million to \$8.9 Billion

Initial Projection for 2002:  \$800 Million to \$9.7 Billion

Revised FY 2001 Forecast (since May)

Key Upside Developments

- US soybeans & meal exports increase 1 mmt due to larger foreign demand

Key Downside Developments

- Palm oil supplies lower vegoil prices

Initial FY 2002 Projection

Key Upside Developments

- Soybean & product prices benefit from slow US output expansion; soybean export volume remains at record 27.1 mmt
- US soybean oil exports & prices set to increase with slowing palm oil output

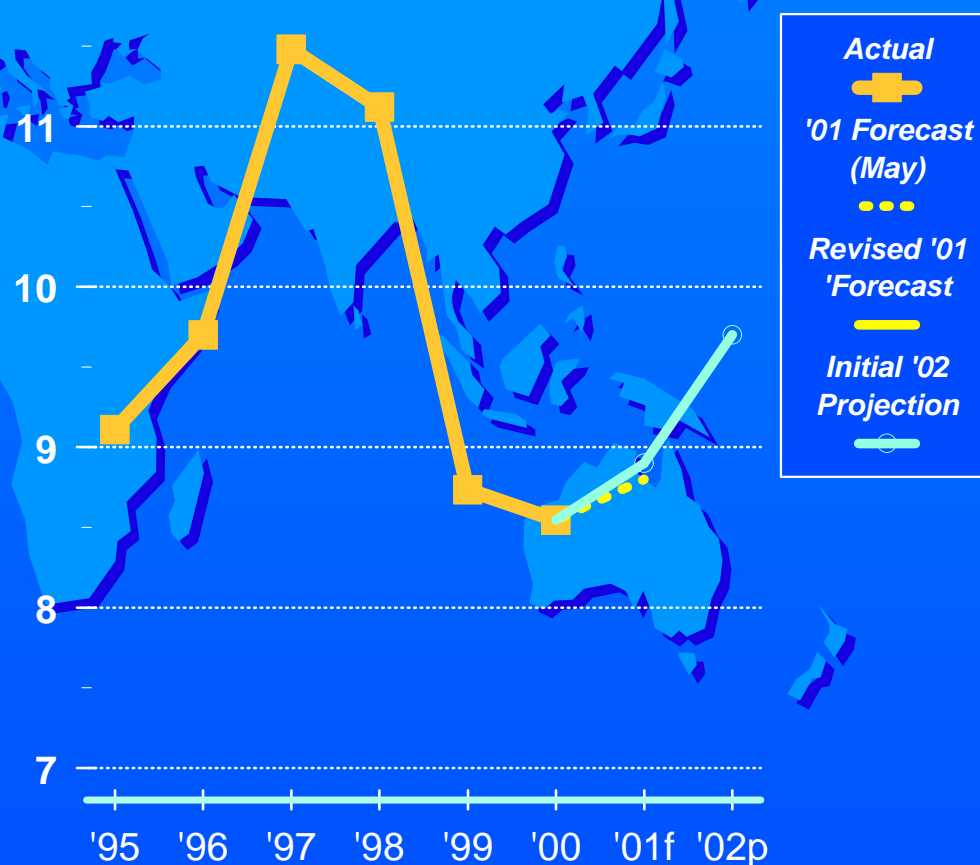
Key Downside Developments

- Increased competition from Brazil in soybean markets
- Increased carry-out holds soybean unit prices below average

Wild Cards

- S.American oilseed expansion
- Oilseed output & usage in China & India

US. Oilseed & Prod Exports (\$Bil)



Note: Excludes corn gluten feed/meal

Export Outlook for Cotton & Linters

Revised Forecast for 2001:  \$100 Million to \$2.1 Billion

Initial Projection for 2002:  \$200 Million to \$2.3 Billion

Revised FY 2001 Forecast (since May)

Key Upside Developments

- Volume & value raised slightly to 1.6 mmt valued at \$2.1 billion as buyer activity increased with lower prices

Key Downside Developments

- Prices weaken

Initial FY 2002 Projection

Key Upside Developments

- Record 2001/02 domestic crop & current weak prices support a 400,000 mt increase in exports to 2.0 mmt

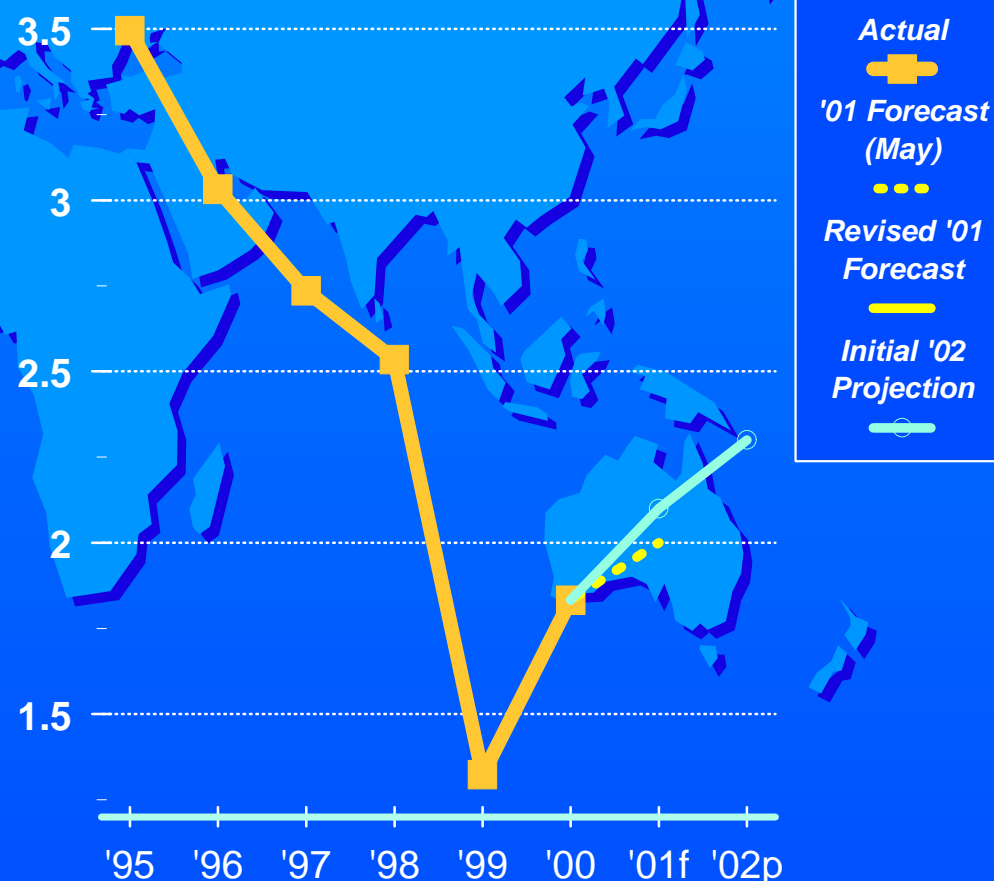
Key Downside Developments

- US stocks are rising

Wild Cards

- Weaker US economy could slow US cotton exports to Mexico/other countries that re-export textiles to US

U.S. Cotton Exports (\$Bil)



Export Outlook for DL&P Products

Revised Forecast for 2001:  \$200 Million to \$12.8 Billion

Initial Projection for 2002: Steady at \$12.8 Billion

Revised FY 2001 Forecast (since May)

Key Upside Developments

- Poultry and pork exports post solid gains
- Dairy product exports increase to Mexico
- Hides/skins exports strong to China & Korea

Key Downside Developments

- Strong dollar and increased competition slows beef sales to Japan
- BSE concerns hamper sales of some rendered products

Initial FY 2002 Projection

Key Upside Developments

- Beef exports to Japan rebound
- Poultry meat reaches record 3.2 mmt

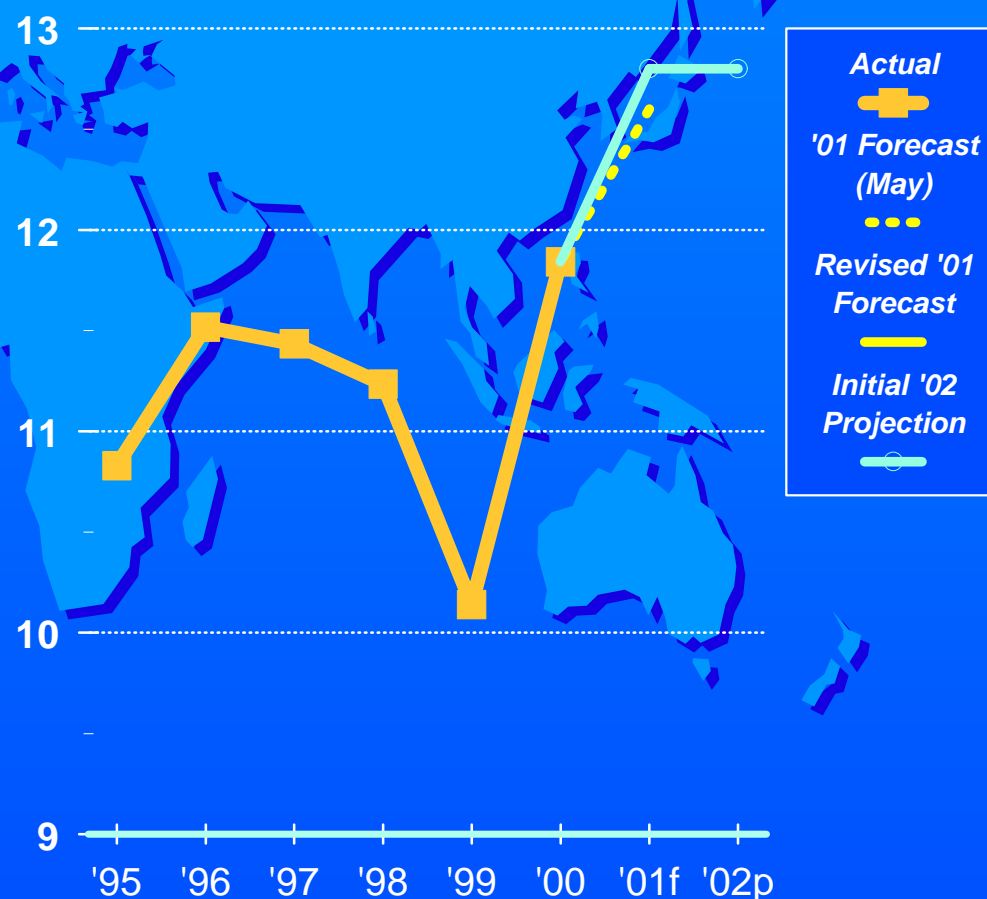
Key Downside Developments

- High EU beef stocks pressure market
- Pork shipments down somewhat faced with strong EU/Canada competition

Wild Cards

- FMD & BSE concerns cause uncertainty & create potential opportunities/threats

Dairy, Livstk, Poultry Exports (\$Bil)



Export Outlook for Horticultural Products

Revised Forecast for 2001:  \$100 Million to \$11.3 Billion

Initial Projection for 2002:  \$300 Million to \$11.6 Billion

Revised FY 2001 Forecast (since May)

Key Upside Developments

- Fresh deciduous fruit and tree nut exports are up close to 20%
- Essential oils are up almost 23%

Key Downside Developments

- Juice exports are down 3% from FY 2000
- Other deciduous fruit (including strawberries) are down more than 6%

Initial FY 2002 Projection

Key Upside Developments

- Excellent crop prospects for tree nuts
- Good supplies and strong demand for fresh deciduous fruit

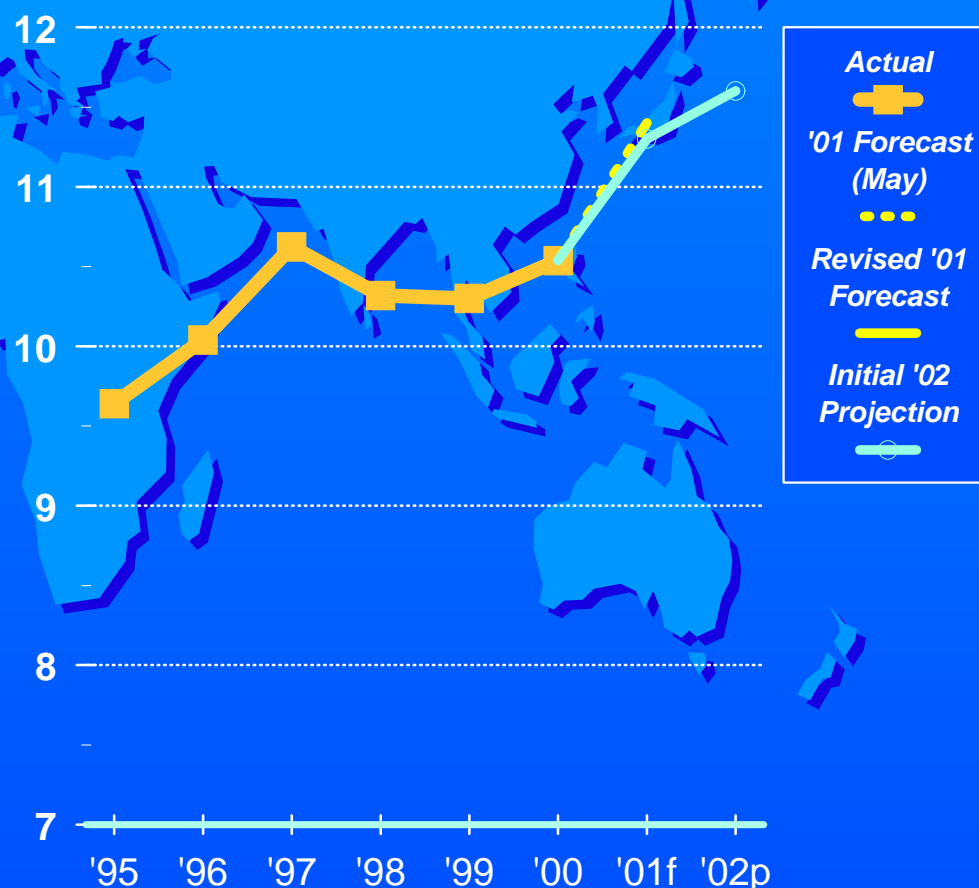
Key Downside Developments

- None

Wild Cards

- Size of domestic crops

U.S. Hort. Product Exports (\$Bil)



Unofficial
Estimate

Export Outlook for Fishery Products

Revised Forecast for 2001: On Target for \$2.9 Billion
Initial Projection for 2002: ↑ \$100 Million to \$3.0 Billion

Revised FY 2001 Forecast (since May)

Key Upside Developments

- U.S. exports to Japan rise; exports to Korea hit a 30 year high; EU demand up
- 2001 Pollock catch is up 23%, with strong Japan/Korea demand for roe

Key Downside Developments

- Alaskan sockeye salmon harvest is down 26% from 2000; Chilean salmon & trout production is up (neg price impact)

Initial FY 2002 Projection

Key Upside Developments

- EU BSE/FMD concerns encourage higher consumption of fishery products

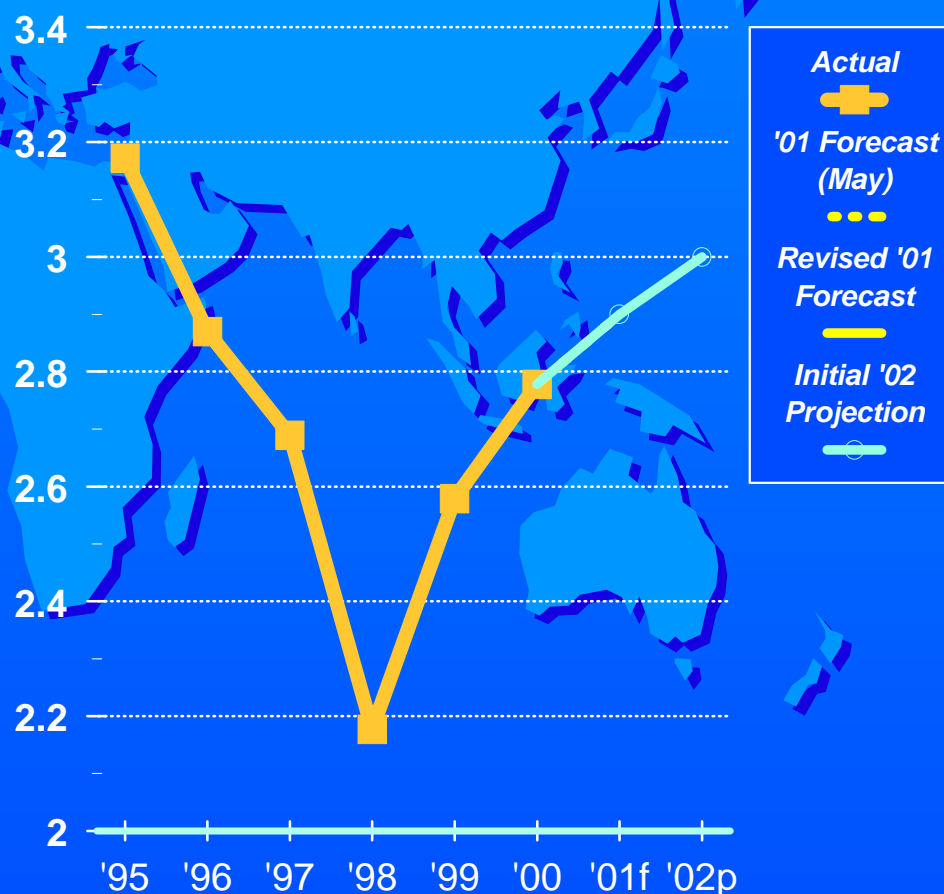
Key Downside Developments

- Farmed salmon/trout production expected to continue to grow

Wild Cards

- Impact of Russian harvest on US pollock harvest and prices
- US salmon harvest and prices
- Size of US cod, crab, lobster, squid catch

U.S. Fishery Product Exports (\$Bil)



Unofficial
Estimate

Export Outlook for Solid Wood Products

Revised Forecast for 2001:  \$300 Million to \$5.7 Billion

Initial Projection for 2002:  \$100 Million to \$5.8 Billion

Revised FY 2001 Forecast (since May)

Key Upside Developments

- Chinese logging restrictions lead to \$45 mil increase in imports from the U.S.

Key Downside Developments

- US exports to Japan decrease \$200 mil, pushed out by low-cost EU/China prods

Initial FY 2002 Projection

Key Upside Developments

- Continued strong demand in China for hardwoods & softwoods
- EU hardwood oversupply dries up; normal trade with Japan and China returns

Key Downside Developments

- US exports of softwood lumber to Japan fall as supplies from China & EU rise

Wild Cards

- Will Japanese housing starts remain at the projected 18-year low?
- Will settlement or resolution of CVD/AD case against Canadian softwood lumber hurt US export markets

U.S. Solid Wood Exports (\$Bil)

